

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:4132
ANSWERED ON:14.12.2001
SURPLUS STOCK OF SUGAR IN MAHARASHTRA
DALPAT SINGH PARASTE

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the sugar industry in the country particularly in U.P. and Maharashtra are facing acute problems because of the huge unsold stock estimated to be around 110 lakh tonnes and the problem is likely to aggravate in the current crushing season;
- (b) whether the industry have urged upon the Union Government to come to its rescue by extending financial help out of the Sugar Development fund;
- (c) whether the State Government of Maharashtra, U.P. and other State Governments have also approached the Union Government in the matter; and
- (d) if so, the concrete steps taken or proposed to be taken by the Union Government to assist the sugar industry?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
V.SREENIVASA PRASAD)

(a): With the carry over stock of 93.40 lakh tonnes (Provisional) and the production of 184.21 lakh tonnes (Provisional), the total availability of sugar during the season 2000-2001 was 277.61 lakh tonnes (Provisional) as against the consumption of 162.00 lakh tonnes (Provisional) and export of 12.50 lakh tonnes (Provisional). Thus, there was a surplus of above 103.00 lakh tonnes (Provisional) with the sugar mills in India. During the current sugar season, the production of sugar is estimated at 175.00 lakh tonnes.

(b)&(c): The apex organizations of sugar industry viz. Indian Sugar Mills Associations (ISMA)/National Federation of Co-op. Sugar Factories Ltd. (NFCSFL) and some State Governments have approached the Central Government for creation of Buffer Stock out of Sugar Development Fund (SDF). The proposal for creation of Buffer Stock of sugar is under consideration of the Government.

(d): In order to reduce sugar stocks, the Government is, inter-alia, encouraging the export of sugar. The following measures have been taken in this regard:-

(i) The sugar meant for export has been exempted from the levy obligation.

(ii) The quantity of sugar released for export is treated as advance fee sale release to be adjusted in the free sale stocks of the sugar factories after a period of 12 months, which has now been increased to 18 months.

(iii) The levy exemption on the quantity meant of commercial export of sugar, if it can not be claimed by the sugar factories out of the sugar season from which the sugar is released to them due to completion of their levy obligation, the same can be availed by the concerned sugar factories from their levy obligation, the same can be availed by the concerned sugar factories from their production of next sugar season.

(iv) DEPB at the rate of 5% of the F.O.B. value of export of sugar has been allowed.

(v) Hitherto only mill white sugar was being exported it has been clarified that in addition to mill white sugar the sugar mills/exporters can also export raw sugar under the present EXIM policy.

(vi) Government has decided to undertake legislation to amend the Sugar Development Fund Act, 1982 to enable it, inter alia, to utilize the Sugar Development Fund for defraying expenditure on internal transport and freight charges to the sugar factories on export shipments of sugar.

(vii) State Governments of the major sugar producing States have been requested to give remission in purchase tax on sugarcane on the quantity of sugar exported.

(viii) Government is making judicious releases of sugar in the open market to maintain the prices at reasonable levels.

(ix) Further, keeping in view the requests received from the sugar factories for additional/ advance quota of free sale sugar for clearing

cane price dues and storage problem, the Government has allowed them to sell upto 10% of their quarterly quota over and above their normal quota within the quarter.